



City of Santa Barbara
Airport Department

DATE: August 17, 2011
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Operating Agreement – NSC Communications Public Services Corporation

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a five (5) year Operating Agreement with NSC Communications Public Services Corporation, a Delaware Corporation, for operation of two public payphones at the Santa Barbara Airline Terminal, commencing upon the date of beneficial occupancy.

DISCUSSION:

NSC was selected through a public solicitation process to provide public payphone services at the Airport Terminal in November 1997. Declining revenue resulted in negotiation of an amendment to the Agreement in 2001 restructuring the basis on which the revenue was calculated in order to insure continued service to the Airport. A survey of other payphone providers in 2006 established that no other company was willing to provide equivalent service at the same rate of compensation.

The increased use of cellular phones has continued to reduce payphone usage and revenue to the City and NSC. Pay phone revenue to the Airport has declined from a high in 2002 of \$19,596 to \$100.63 in Fiscal Year 2011. The decrease in usage of pay phones has resulted in a reduction in the number of pay phones from fourteen to four in the current building.

Based upon the competent and reliable manner in which NSC has managed the payphones, the Airport proposes to enter into a new Operating Agreement. The agreement provides for the installation of two public payphones in the new building, one in the ticketing lobby on the first floor, and one in the sterile area on the second floor. Both phones will be provided with TTY (text telephone) capability and are wheelchair accessible.

NSC has agreed to provide two TTY phones, install, maintain and pay all charges for phone lines serving the equipment at no cost to the Airport. The Airport will provide the electricity to serve the TTY function, and waive any revenue in the interest of providing the pay phones as a public service.

PREPARED BY: Business & Property Division